

Commission to Modernize State Procurement
July 28, 2016 3:00 p.m.
16 Francis Street, 4th Floor Conference Room, Annapolis, MD 21401

Commissioners in Attendance

Nancy Kopp, *Maryland State Treasurer*
David Brinkley, *Secretary, Maryland Department of Budget & Management*
John Gontrum, *Assistant Comptroller, Comptroller of Maryland*
Ellington Churchill, *Secretary, Maryland Department of General Services*
Jimmy Rhee, *Special Secretary, Maryland Office of Minority Affairs*
Senator Stephen Waugh, *District 29, Member of the Education, Health and Environmental Affairs Committee*
Michael Zimmerman, *Director, Maryland Department of Transportation, Office of Procurement*
Delegate Christopher West, *District 42B, Member of the Health and Government Operations Committee*
Eric Regelin, *President, Granix, LLC.*
Sheila McDonald, *Executive Secretary, Maryland Board of Public Works*
Delegate Dan Morhaim, *District 11, Member of the Health and Government Operations Committee*
Ronald Lipford, *CEO, Arel Architects Inc.*
Eileen Straughan, *President, Straughan Environmental, Inc.*
Sheryl Brissett-Chapman, *CEO, National Center for Children and Families*
John Molnar, *Co-founder, Integrity Consulting*
Al Bullock, *Chief of Staff, Maryland Department of Information Technology*

Welcome

The Commission to Modernize State Procurement convened at 3:00 p.m. on July 28, 2016.

Treasurer Nancy Kopp chaired the meeting and welcomed the Commissioners and audience.

Treasurer Nancy Kopp introduced and welcomed Ellington Churchill, Secretary of Department of General Services to the Commission.

Approval of Minutes (June 22, 2016)

Treasurer Kopp asked whether there were any amendments to the minutes

- Page 3, Paragraph 4; eliminate “Corp” from eMaryland Marketplace

Delegate Dan Morhaim made a motion to accept the minutes of the June 22nd meeting with amendment. The motion was seconded. The motion was approved.

Approval of Minutes (June 28, 2016)

Treasurer Kopp asked whether there were any amendments to the minutes

- Correction to the minutes that Eileen Straughan works for Straughan Environmental, Inc.

Delegate Dan Morhaim made a motion to accept the minutes of the June 28th meeting with amendment. The motion was seconded. The motion was approved.

Report on third Regional Meeting (Easton, June 28)

The third public regional meeting was held on Thursday, June 28, 2016, in Easton, MD.

Sheila McDonald stated that the Commission received a lot of input from the vendor community and the general public.

Shelia discussed the highlights and issues brought up at the June 28th public meeting:

- Priority Preferences – the purchases the State was making with priority vendors
- eMaryland Marketplace – user friendly interface for it
- Cooperative Purchasing as one opportunity for state agencies
- Standardization of contracts

Delegate Dan Morhaim noted that we heard from some architects from previous public meetings and they want to supply an RFP from North Carolina and they did. It was only five pages long compared to 100 pages. The Commission was provided with the sample. They also included a website from Massachusetts that shows A&E procurement in state without facing the reciprocal issue.

Progress Reports from Workgroup Co-Chairs

Initiatives Workgroup:

Secretary Churchill gave updates on its initiatives:

- Expanding small procurement limits
 - That work is complete by Department of General Services (DGS) and is going to report their findings to the subcommittee at its next meeting
- Higher Limits for Single Purchase Transactions on Purchasing Cards
 - This is also complete and is going to report its findings to the subcommittee at its next meeting
- Intergovernmental Cooperative Purchasing Agreements
 - DGS has reviewed the comments that were outlined by the Lt. Governor at the last meeting. DGS have found and reviewed all of the Intergovernmental Cooperative Purchasing Agreements and we are in compliance.
 - Next Steps: Procurement Officers are performing market research to validate cost benefits in the cooperative agreements.
- Validating Preferred Providers
 - DGS has already referred to some comments from Blind Industries and Services of Maryland (BISM). DGS is setting up a follow up meeting with BISM to understand their procedures.
 - In addition we have met with Maryland Correctional Enterprises to determine their procedures. Secretary Churchill said, they plan on setting up a meeting with Maryland Works to do the same thing.

Jimmy Rhee said, they had a productive conference call yesterday. He is happy to report that they have eight meetings to discuss its initiatives within the workgroup. The subcommittee has

an initial draft done. Given the September 15th deadline, GOMA has scheduled six additional meetings and they are on schedule.

Workforce Workgroup:

Secretary Brinkley said, two meetings were held since the previous Commission meeting, on Wednesday, June 29th and Thursday, July 14th. The next meeting is scheduled for Thursday, August 11, 2016 at 2:00 p.m.

The Workforce Workgroup members have completed the tasks assigned at the June 29th and July 14th meetings and begun drafting the recommendations to send to the Lt. Governor by the September 15th deadline.

Secretary Brinkley said, based upon the Workforce Workgroups research internally between State Agencies and externally to surrounding states and local governments, it has developed a draft recommendation for re-classifying Procurement Staff to address impediments to attracting and retaining quality procurement staff. The workgroup is reviewing the draft recommendation at the next meeting.

The Workforce Workgroup members are testing the mock-up website for the eMaryland Marketplace portal as the one-stop shop access for Procurement Staff and the business community including non-profits to obtain training documents and modules. The draft recommendation will include how to best communicate and maintain the training modules for the business community, including additional customer service support beyond the website.

Workforce Workgroup has discussed the best approach and drafted the recommendation for the development of the statewide procurement procedures manual and best practices and how to maintain them. The workgroup will be making final edits at the August 11th meeting.

The Workforce Workgroup continued the discussion of having a centralized or decentralized structure of procurement in Maryland.

- The workgroup members concurred that standardization of procurement practices and training, currently lacking in the existing procurement structure, would benefit the State, and could be executed quickly to have immediate results.
- Concerns raised by the business community about inconsistencies in the State's procurement processes crossed over to the University System of Maryland and county governments that are exempt or not part of the State's procurement under Title 21. Suggestions were that local governments should be required to use the State's statewide contracts or that they follow Title 21 if they want to receive State funding.
- The discussion emphasized that agencies need to maintain control of what procurements happen for that agency.
- Challenges as to who would be the authority and enforcement for procurement protocols were discussed along with support of the current structure with a centralized training program.

Efficiencies Workgroup:

Mike Zimmerman said, the Efficiencies Workgroup has been looking at addressing standardization with the RFP template. At one point they were looking at a RFP template that every agency could use. He said, they have decided due to the differences, there will be a RFP template for services and another standardize template for IT procurement.

The Workgroup has also been looking at A&E Procurement. They are looking at the entire process as well as the documents are required. The group has compiled questioned and is going to reach out to the other states to find out what their best practices are and bring it back here to Maryland. The Workgroup has reached out to NASPO and have received a lot of information on what other states are doing in the A&E world.

There also has been another procurement method that has been identified. The team will look into it. It's more of a IT procurement method and will report back to the Commission.

Mike Zimmerman gave an update on frivolous protest, and there is a great report done by NASPO. What we are finding is that there are three ways how those protest are being addressed.

1. Protest bonds
2. Making a protester pay for all fees if they lose
3. The ability of a vendor who feels they have been wronged to protest is more important than to stop the frivolous protest and they don't do anything.

Mr. Zimmerman said they plan to look more into frivolous protest strategies and will report back to the Commission.

Public Comments

Blind Industries and Services of Maryland submitted a letter to the Commission regarding the June 28th, 2016 Public Hearing.

Treasurer Kopp suggested that an amendment be made to the June 28th Public Hearing minutes. That it indicate that a letter from Blind Industries and Services of Maryland will be attached to the June 28th minutes.

Secretary Brinkley made a motion to accept the amendment. The motion was seconded. The motion was approved.

The next Commission meeting is on August 25th, 2016.

Meeting Adjourned at 3:52 p.m.